

Inclusive Business Growth and Sustainable Development in North East India and Papua New Guinea (PNG)

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ABSTRACT

Inclusive business is a sustainable business model which will benefit the low income groups by including them in its value chain which will lead to poverty reduction. In other words inclusive business is a process of including the poor in the business process as producers, entrepreneurs or consumers.

North East India is abundant with rivers, hills and plains with rich green cover and wide variety of rare and exotic flora and fauna which can be an USP to attract the tourists. Tourism Industry can be a major source of revenue generation and a positive catalyst for the development of the North East India region through Inclusive Business Model. All round development can only be achieved by including the local people in the mainstream society for which, Inclusive Business Growth model can be one of the avenues through which we can bring smiles in the lives of many.

Inclusion of individuals in banking business by keeping in view about Inclusive Business Growth and Sustainable Development can transform the entire process of banking business through the model of Customer to Customer (C2C) Business Model for lending advances and loans to the customers. In most of the cases when an individual is in need of advances and loans, the individual in most of the scenario approaches banks to borrow the money, but there is no assurance that the prospective borrower will receive the loan/advances from the bank. This can be a sustainable model in the Indian Banking Business where the Banking Industry can also be a part of the Inclusive Business Growth; provided RBI modifies certain norms and develops it, which can fit into the banking business as one of the new innovation in Banking Business in India.

The real gold of Papua New Guinea (PNG) is in tourism industry which is still untapped. It is abundantly blessed with radian beauty. The creativity of the creator can only be understood once you visit Papua New Guinea; the natives of PNG who are living next to a resource are the ones best suited to protect it, which means that the tourism activities and business are developed and operated by the local community members with their consent and support. Sustainable development crucially depends on the presence of local support for a project. It has also been noted that in order for success, projects must provide direct benefits to the local community.

Key Words: Sustainable Development, Inclusive Business Growth, Tourism, Banking, Innovation, North East India, Papua New Guinea

1. INTRODUCTION

Inclusive Business:

Inclusive business is a sustainable business model which will benefit the low income groups by

including them in its value chain which will lead to poverty reduction. In other words inclusive business is a process of including the poor in the business process as producers, entrepreneurs or consumers.

Inclusive Business Model:

An inclusive business model can benefit the people of the region by including them as consumers, employees and producers in various capacities. The idea of inclusive business model was first initiated in an early United Nations report known as "*Creating Value for All: Strategies for Doing Business with the Poor (2008)*". Inclusive business is not a corporate social responsibility or corporate philanthropy which comes with limitation and scope, impact and budget; it is an exploration of sustainable business model where local people are included for overall growth and development of the society, family and the individual.

Sustainability: Etymology

The word sustainability had derived from the Latin word 'sustinere' which means 'to hold' or 'support' or 'sustain'. Sustain can be 'maintain', or 'support', or 'endure'. Since 1980 sustainability has been used for human sustainability on earth, the most profound definition of sustainability in regards to sustainable development is that of the Brundtland Commission of the United Nations on March 20, 1987: "sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."



2. OBJECTIVE OF THE STUDY

1. To understand and compare the per capita income of various states of India and North East India States (NEIS)
2. To study about the possibility of sustainable tourism in North East India

3. To Propose a Model for Inclusive Business Growth and Sustainable Development in Tourism Industry
4. To Propose a Model for Inclusive Business Growth and Sustainable Development in Banking Industry
5. To study about the possibility of sustainable tourism in Papua New Guinea (PNG)

3. INCOME PER CAPITA

Income per capita determines the amount of money earned by per person in a specific city, state or country, and is used to address the issues and evaluate the living conditions and quality of life for a specific area. It can be calculated for a country by dividing the country's national income by its total population.

4. IMITATIONS OF INCOME PER CAPITA

Income per capita cannot be considered as average income because it includes children and non-working population of the specific area, it just serves as an indicator of a country's living standards.

The figure does not always give an accurate representation of the quality of life either because the metric does not account for the effects of income inequality of the people.

1. To understand and compare the per capita income of various states of India and North East India States (NEIS)

Table 1.1: Ranking of States Per Capita Income At Constant (2011-12) Prices Since 2011-12

2013-14				2014-15	
SN	State/UT	Rupees	SN	State/UT	Rupees
1	West Bengal	NA	1	West Bengal	NA
2	Haryana	116543	2	Haryana	124092
3	Uttarakhand	113791	3	Uttarakhand	120759
4	Maharashtra	108915	4	Kerala	115225
5	Kerala	108147	5	Tamil Nadu	113817
6	Tamil Nadu	105568	6	Maharashtra	113379
7	Gujarat	101525	7	Gujarat	108433
8	Karnataka	98812	8	Telangana	105488
9	Himachal Pr.	98141	9	Karnataka	105350
10	Telangana	97604	10	Himachal Pr.	104717
11	Punjab	93555	11	Punjab	96638
12	AndhraPr.	74062	12	AndhraPr	79441
13	Rajasthan	61175	13	Rajasthan	64002
14	Chattisgarh	58755	14	Chattisgarh	62394
15	J & K	55496	15	J & K	54289
16	Orissa	49908	16	Orissa	52516
17	Jharkhand	45390	17	Jharkhand	50071
18	Assam	41825	18	Assam	42349
19	Madhya Pr.	39296	19	Madhya Pr	41336
20	Uttar Pradesh	33567	20	Uttar Pradesh	35072
21	Bihar	23497	21	Bihar	26736
22	Sikkim	NA	22	Sikkim	NA

2013-14			2013-14		
SN	State/UT	Rupees	SN	State/UT	Rupees
23	Tripura	NA	23	Tripura	NA
24	Goa	245823	24	Manipur	NA
25	Delhi	201485	25	Goa	262124
26	Arunachal Pr	79292	26	Delhi	213842
27	Mizoram	65412	27	Arunachal Pr.	82682
28	Meghalaya	60760	28	Mizoram	69569
29	Nagaland	58434	29	Nagaland	62664
30	Manipur	41433	30	Meghalaya	60927
31	Chandigarh	182181	31	Chandigarh	203461
32	Puducherry	122236	32	Puducherry	132548
33	A & N Islands	91844	33	A & N Islands	96180

Sources: *Economic & Statistical Organisation (ESO) Govt. of Punjab*

2014-15: Goa's per capita income stood at Rs. 262124 as compared to Assam Rs. 42349, Arunachal Pr. Rs. 82682, Mizoram Rs. 69569, Nagaland Rs. 62664, Meghalaya Rs. 60927. Per Capita Income for 4 Indian States for the year 2014-15 is not available including West Bengal, Sikkim, Tripura and Manipur.

In 2014-15, Goa had the highest Per Capita Income followed by Delhi based on the data available in the Table 1.1, according to the above figures, Goa leads the country with per capita income of Rs. 262124/-, when PCI of Goa is compared with few of the states of the North East India, the comparison shows the differences of PCI. An average Goan earns 6.1 times more than an average person earns in Assam, 3.1 times more than an average person earns in Arunachal Pr., 3.7 times more than an average person earns in Mizoram, 4.1 times more than an average person earns in Nagaland, 4.3 times more than an average person earns in Meghalaya.

As of Nov 2016, India is the second-most unequal country in the world. The richest 1% of Indians own 58.4% of wealth. The richest 10 % of the Indians own 80.7 % of the wealth. This trend is going in the upward direction every year, which means the rich are getting richer and the poor are getting poorer.

To remove this inequality and to improve the per capita income of the North East States of India,

Individuals need to be empowered by providing them special opportunities through Inclusive Business Growth and Sustainable Development projects.

2. To study about the possibility of sustainable tourism in North East India

Inclusive Business for Sustainable Development: Need of the Hour for North East India

Inclusive Business Growth and Sustainable Development can bring paradigm shift of the entire region of the North East India, and will become a sustainable sources of income to the most needy and deserved.

North East India comprises of Sikkim, North Bengal area, Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura and it is endowed with natural beauty and diversity of tribes and cultures which makes it a prominent geography for tourism destination. It is an unexplored paradise yet to be explored. There are also concerns for economic and social backwardness because of the geographical isolation, regional conflicts and militarization of the specific regions became a conflict zone, and further the rise of unemployment had added fuel to the fire. The governments, in collaboration with the private bodies have to create an ecosystem to develop the economy of the region by facilitating the establishment of Special Economic Zones (SEZ) for business enterprises which will result in

the creation of job and removal of unemployment problems.

The North East India is abundant with rivers, hills and plains with rich green cover and wide variety of rare and exotic flora and fauna which can be an USP to attract the tourists. Tourism Industry can be a major source of revenue generation and a positive catalyst for the development of the North East India region through Inclusive Business Model by engaging the local community and every able youth in sightseeing tour services and the local resident can also be included to facilitate hospitality services which will benefit the community living in the area through income generation for their family.

3. To Propose a Model for Inclusive Business Growth and Sustainable Development in Tourism Industry

The Proposed Model for Inclusive Business Growth and Sustainable Development: In Tourism Industry

The Department of Tourism of the respective states of the North East India in association with recognized tour operators and local community can develop a model whereby every house should be able to accommodate tourist in their house as a part of the Inclusive Business Growth Model. Interested individual or group who are interested to provide the service of housing or accommodation, similar to the hotel accommodation may be trained adequately related to the hospitality industry. Public awareness Programme will help to disseminate the mass about the Inclusive Business Growth and Sustainable Tourism Industry and further enrolling the interested candidates for a short duration of course which are essential for the Hospitality Industry and adequate training for Multi Cultural knowledge, Diversity, Foreign Culture, F & B and Customer Care Skills can be imparted in order to bridge the gap between the industry professionals and the layman. Trainings can be imparted to local residents by the respective tourist departments which are in function for the respective states and districts. It can also be adopted by the private Hospitality Industry; which can be a win-win situation for both the business enterprises and for the local people who are looking for employment for their survival and in return for profit sharing model.

All round development can only be achieved by including the local people in the mainstream society for which, Inclusive Business Growth model can be one of the avenues through which we can bring smiles in the lives of people.

4. To Propose a Model for Inclusive Business Growth and Sustainable Development in Banking Industry

The Proposed Model for Inclusive Business Growth and Sustainable Development: In Banking Industry

The primary functions of any commercial banks are accepting deposits; and granting loans and advances. Shri S.S.Mundra, Deputy Governor, Reserve Bank of India at Bangalore on April 29, 2015 as part of the Memorial Lecture series launched by State Bank of Mysore in the memory of His Highness Sri Nalwadi Krishnaraja Wadiyar, stated the following key emerging challenges in Indian Banking Sector, which includes: Asset Quality, Capital Adequacy of Banks, Liquidity Coverage Ratio (LCR) Framework, Unhedged Forex Exposures, Human Resource Issues, Priority Sector Lending, Pradhan Mantri Jan DhanYojana scheme (PMJDY) and beyond, Globalization of Regulation, Technology and its impact, Treating Customers Fairly, Know Your Customer (KYC) / Anti-Money Laundering (AML) Compliance, Balance Sheet Management, Risk Management. Few of these emerging challenges can be minimized by adopting the Inclusive Business Model in the banking industry.

Inclusion of individuals in banking business by keeping in view about Inclusive Business Growth and Sustainable Development can transform the entire process of banking business through the model of Customer to Customer (C2C) Business Model for lending advances and loans to the customers. In most of the cases when an individual is in need of advances and loans, the individual in most of the scenario approaches banks to borrow the money, but there is no assurance that the prospective borrower will receive the loan/ advances from the bank. An ideal borrower is a person who is in need of the money urgently for various needs and wants and has the ability to pay the principal amount and interest back on a future date. For e.g Mr. X's friend Mr. Y who is in need of a loan to pay his college fee immediately is an ideal borrower for Mr. X, Due to Digital India

campaign which was launched on 1 July 2015 most of the individual had availed online mode of receipt and payment system by integrating the bank account with internet banking facility. In Inclusive Business Model any Online Banker can be a mediator to provide the platform to facilitate borrowing of advances/loan from one customer to another customer under C2C model concept, in this model the banker will act as a service provided between two customers, in return for a certain fee or interest, where Reserve Bank of India may provide new guidelines to facilitate this model of doing C2C model of business. Through this model, the primary objective of the Inclusive Business Growth will be attained under the preview of the mediator and set of guidelines. It can be as simple steps as transferring money through online mode from one bank account to another bank account. The benefits from it can be numerous, easy and fast processing of loan/advances as there is no documentation processing required, time required for the Disbursement of the amount is almost negligible as the amount is transferred from one customer to another customer, the service provider bank will still make revenue either by means of certain collection of fee or a portion of the interest, interest received by the lender from the borrower is a source of income, banks are at less risk and can omit the NPA as there is no lending of money directly from the bank, the lender receives the loan/advances quickly. This can be a sustainable model in the Indian Banking Business where the Banking Industry can also be a part of the Inclusive Business Growth; provided RBI modifies certain norms and develops it, which can fit into the banking business as one of the new innovation in Banking Business in India.

5. To study about the possibility of sustainable tourism in Papua New Guinea (PNG)

The Proposed Model for Inclusive Business Growth and Sustainable Development: For Papua New Guinea (PNG)

The real gold of PNG is in tourism industry which is still untapped. It is abundantly blessed with radian beauty. The creativity of the creator can only be understood once you visit Papua New Guinea; PNG is one of the most culturally diverse country consisting of around 852 languages listed for the country, of which 12 have no known living speakers.

Sustainable tourism in PNG will help the community at large to generate employment which will lead to increase in economic development, increase in per capita income and standard of living will be enhanced.

The natives of PNG who are living next to a resource are the ones best suited to protect it, which means that the tourism activities and business are developed and operated by the local community members with their consent and support.

Sustainable tourism typically involves the conservation of resources that are capitalized upon for tourism purposes. Locals run the businesses and are responsible for promoting the conservation messages to protect their environment.

Community-based sustainable tourism associates the success of the sustainability of the ecotourism location to the management practices of the communities who are directly or indirectly dependent on the location for their livelihoods. A salient feature of Community Based Sustainable Tourism is that, local knowhow is utilized alongside wide general frameworks of ecotourism business models. This allows the participation of locals at the management level and typically allows a more cherished understanding of the environment.

The use of local knowledge also means an easier entry level into a tourism industry for locals whose jobs or livelihoods are affected by the use of their environment as tourism locations. Environmentally sustainable development crucially depends on the presence of local support for a project. It has also been noted that in order for success, projects must provide direct benefits to the local community.

Table 1.2: Comparison between PNG and India for the year 2000, 2010, 2016

Series Name	Country Code	2000 [YR2000]	2010 [YR2010]	2016 [YR2016]
Population, total	PNG	5572222	7108239	8084991
	IND	1053050912	1230980691	1324171354
Population growth (annual %)	PNG	2.576655351	2.288027985	2.064027023
	IND	1.773545774	1.366797957	1.148214693

Series Name	Country Code	2000 [YR2000]	2010 [YR2010]	2016 [YR2016]
Surface area (sq. km)	PNG	462840	462840	462840
	IND	3287260	3287260	3287259
Population density (people per sq. km of land area)	PNG	12.30451354	15.69632778	17.85317979
	IND	354.1821787	414.0269176	445.3705797
Urban population growth (annual %)	PNG	1.289821538	2.149866462	2.32514943
	IND	2.550037547	2.481948564	2.329109667
GDP (current US\$)	PNG	3521348155	9716103409	..
	IND	462146799337.70	1656617073124.71	2263522518124.03
GDP growth (annual %)	PNG	-2.494841729	7.674331651	..
	IND	3.840991157	10.25996306	7.107034368
Time required to start a business (days)	PNG	..	52	41
	IND	28.5
Tax revenue (% of GDP)	PNG	18.975965
	IND	8.929254982	10.50717095	..
Military expenditure (% of GDP)	PNG	0.960373056	0.47689338	..
	IND	3.041213252	2.792192787	2.474853138
Mobile cellular subscriptions (per 100 people)	PNG	0.1591307	27.83340587	48.55939602
	IND	0.343205051	62.39006487	86.95018782
Personal remittances, received (current US\$)	PNG	7226507.187	3493553.627	7142190.357
	IND	12883465957	53479960083	62744364090
Foreign direct investment, net inflows (BoP, current US\$)	PNG	96495382.31	28720688.24	-39578308.42
	IND	3584217307	27396885034	44458571546
Net official development assistance and official aid received (current US\$)	PNG	275210000	512400000	..
	IND	1383420000	2831300000	..

As of 2016 the data shows that in India it requires almost 28.5 days and 41 days in PNG to start a new business.

5. MAJOR FINDINGS:

- Among Indian states, Goa leads the country with per capita income of Rs. 262124/ for the year 2014-15.
- As of Nov 2016, India is the second-most unequal country in the world. The richest 1% of Indians own 58.4% of wealth.
- Due to geographical isolation, regional conflicts and militarization of few parts of North East India, the region became a conflict zone, and further rise of unemployment had added fuel to the fire.
- Sustainable Development is doable with the due collaboration of the public, Government and private bodies.

- The real gold of PNG is in tourism industry which is still untapped and need to be explored.
- As of 2016 the data shows that in India it requires almost 28.5 day and 41 days in PNG to start a new business which need to be reduced.

6. SUGGESTION:

- To remove the inequalities; low income group need to be empowered by providing them with special avenues of earnings through inclusive business growth and sustainable development projects.
- The policy makers have to create an ecosystem by facilitating the establishment of Special Economic Zones (SEZ) for business enterprises in North East India to create employment

opportunity which will eliminate the unemployment problem.

- The tourism department may develop a model and train the locals about hospitality industry and empower them with professional trainings.
- There is no model available for C2C in banking industry; RBI may propose a new model and release guidelines for various financial institutions to integrate their customer into their banking business model which will help to reduce NPA, increase profitability and reduce the disbursement time of loans and advances.
- Collaboration of Public, Government and Private body can boost the economy but capitalist society may not be very keen in such development, in such scenario the goodwill of the policy makers will play an active role to transform our society for the sustainable development.

7. CONCLUSION:

Sustainable Development is possible in India and PNG with the collaboration of the Public, Government and Private partnership model. It can bring 360 degree development to the total business eco system and humanity.

Sustainable business is the need of the hour but Inclusive Business Model will suffice as the role model to do business from a different prospective by keeping in mind about the development of the society at large and also constant profit generation for the business. Inclusive Business Model in North East India will remove the unemployment problems and quality of life will be improved which can be a positive gesture. The similar philosophy can be applied in any part of the globe to fulfill the certain objectives of the Inclusive Business Growth and Sustainable Development.

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Journal of Advance Management Research
ISSN: 2393 - 9664
UGC Index No. 42888
February 2018
Volume 6
Issue 2

Published by
Excellent Publishing House
Kishangarh, Vasant Kunj, New Delhi 110 070

To Cite the article:

APA

Singha, S., & Singha, R. (2018, February). Inclusive Business Growth and Sustainable Development in North East India and Papua New Guinea (PNG). *Journal of Advance Management Research*, 6(2), 266-273.

MLA

Singha, Surjit, and Ranjit Singha. "Inclusive Business Growth and Sustainable Development in North East India and Papua New Guinea (PNG)." *Journal of Advance Management Research*, vol. 6, no. 2, Feb. 2018, pp. 266-73.

Chicago

Singha, Surjit, and Ranjit Singha. "Inclusive Business Growth and Sustainable Development in North East India and Papua New Guinea (PNG)." *Journal of Advance Management Research* 6, no. 2 (February 2018): 266-73.